

Message Text

CONFIDENTIAL

PAGE 01 SEOUL 07295 040736Z

11

ACTION EA-10

INFO OCT-01 ISO-00 EB-04 H-01 L-01 AGR-05 CIAE-00 COME-00

INR-05 LAB-01 NSAE-00 RSC-01 SP-02 STR-01 TRSE-00

SWF-01 CIEP-01 FRB-01 OMB-01 /036 W

----- 100060

R 040637Z NOV 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 6737

C O N F I D E N T I A L SEOUL 7295

FOR ASSISTANT SECRETARY HABIB FROM AMBASSADOR SNEIDER

E.O. 11652: GDS

TAGS: ETRD, KS

SUBJECT: OUTSTANDING COTTON CONTRACTS

REF: (A) SEOUL 7148 (B) SEOUL 7176 (C) STATE 241119

1. AS WE HAVE REPORTED IN REF (A) AND (B), WE HAVE SUCCEEDED IN OBTAINING A FIRM UNDERSTANDING WITH THE ROKG ON PROCUREMENT SCHEDULE TO LIQUIDATE THEIR COMMITMENTS UNDER OUTSTANDING COTTON CONTRACTS. SOME DAYS AGO, I SPOKE TO DEPUTY PRIME MINISTER, NAM, DUCK WOO, AND USAID DIRECTOR ADLER FOLLOWED UP. NAM UNDERSTANDS THE SIGNIFICANCE OF THESE OUTSTANDING CONTRACTS AND THE IMPORTANCE OF AVOIDING ANY DEFAULT WHICH WOULD TARNISH KOREA'S REPUTATION. WE BELIEVE THAT THE ROKG WILL ASSURE COTTON PROCUREMENT IN ACCORDANCE WITH THE SCHEDULE REPORTED IN REF (A). AS YOU KNOW HOWEVER, KOREA IS FACING A MOST SERIOUS FINANCIAL CRUNCH. THE DEFICIT IN THE CURRENT ACCOUNT FOR THIS CALENDAR YEAR IS NOW ESTIMATED AT APPROXIMATELY 1.5 BILLION DOLLARS. NET FOREIGN RESERVES HAVE DECLINED TO APPROXIMATELY 400 MILLION DOLLARS WHICH REPRESENTS THE COST OF LESS THAN ONE MONTH'S IMPORTS.

2. WE UNDERSTAND THE KOREAN TEAM WHICH WILL VISIT THE UNITED STATES (REF B) WILL ATTEMPT TO OBTAIN AN ADDITIONAL ONE

CONFIDENTIAL

PAGE 02 SEOUL 07295 040736Z

HUNDRED MILLION DOLLARS IN CCC CREDITS. WE RECOMMEND THAT

THE DEPARTMENT PROVIDE WHATEVER SUPPORT MAY BE POSSIBLE TO
ASSIST THE KOREANS IN OBTAINING THIS ADDITIONAL CREDIT.

3. WE WILL CONTINUE TO MONITOR CLOSELY KOREAN PERFORMANCE IN
FULFILLING THEIR COMMITMENT TO OPEN LETTERS OF CREDIT AND TAKE
DELIVERY OF COTTON UNDER OUTSTANDING CONTRACTS IN ACCORDANCE
WITH THE SCHEDULE REPORTED IN REF (A).

SNEIDER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, SALES, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: SmithRJ
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SEOUL07295
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740315-0473
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741173/aaaacjxz.tel
Line Count: 69
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) SEOUL 7148 (B) SEOUL 7176 (C) ST, ATE 241119
Review Action: RELEASED, APPROVED
Review Authority: SmithRJ
Review Comment: n/a
Review Content Flags:
Review Date: 07 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Aug-2002 by kelleyw0>; APPROVED <25 MAR 2003 by SmithRJ>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OUTSTANDING COTTON CONTRACTS
TAGS: ETRD, KS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005